

1 THE HONORABLE RICARDO S. MARTINEZ

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7 UNITED STATES DISTRICT COURT  
8 WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

9 MILO & GABBY, LLC and KAREN  
10 KELLER, an individual,

11 Plaintiffs,

12 v.

13 AMAZON.COM, INC.,

14 Defendant.  
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No. 13-cv-1932-RSM

AMAZON.COM, INC.'S MOTION FOR  
SUMMARY JUDGMENT

Note for Motion: Friday, July 3, 2015

MOTION FOR SUMMARY JUDGMENT

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## I. INTRODUCTION

Defendant Amazon.com, Inc. (“Amazon”) moves for summary judgment on Plaintiffs Milo & Gabby, LLC and Karen Keller’s (collectively “M&G”) remaining claims for patent infringement (direct), copyright infringement (direct), false designation of origin under the Lanham Act, 15 U.S.C. § 1125(a)(1), and violation of the Digital Millennium Copyright Act, 17 U.S.C. § 1202.<sup>1</sup> M&G’s attempt to manufacture liability against Amazon based on the actions of third-party sellers who used the amazon.com platform and accompanying fulfillment services to sell allegedly infringing pillowcases fails. The undisputed facts show that Amazon did not offer for sale or sell the allegedly infringing pillowcases, third-party sellers supplied all allegedly infringing images and materials, and Amazon has acted at all times in good faith by removing listings and blocking offending third-party sellers. Summary judgment should thus be granted in Amazon’s favor on all of M&G’s remaining claims.

## II. FACTUAL BACKGROUND

Amazon operates the website [www.amazon.com](http://www.amazon.com). Declaration of Dung Phan (“Phan Decl.”) ¶ 2. The amazon.com website is a retail platform through which Amazon or third-party sellers offer products for sale to the public. *Id.* Third-party sellers who offer products via the amazon.com platform enter into a contract with Amazon. *Id.* ¶ 3. Amongst other requirements, third-party sellers must agree to be bound by the terms and conditions of their third-party seller agreement. *Id.*

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<sup>1</sup> The Court previously granted Amazon’s Rule 12(b)(6) motion, dismissing M&G’s claims for unfair competition under Washington’s Consumer Protection Act; violation of M&G’s right of publicity; and trademark counterfeiting under 15 U.S.C. § 1114. Dkt. #13. The Court also struck M&G’s claim for patent infringement based on any claim for induced, contributory, or willful patent infringement, as well as M&G’s claim for indirect copyright infringement. *Id.* As a result, the only claims that remain are Causes of Action I (direct patent infringement); II (direct copyright infringement); IV (false designation of origin under Lanham Act, 15 U.S.C. § 1125(a)(1)); and VI (removal of copyright management information under the Digital Millennium Copyright Act).



1     **A.     Third-Party Sellers Provide Content for Product Offerings and Advertisements, and**  
2     **Are Responsible for Ensuring That the Provided Content and Products Are Lawful**

3             When a third-party seller wants to offer a new product for sale on the amazon.com  
4 platform, the third-party seller is responsible for sending Amazon, via an automated file upload  
5 system, content related to the new product, such as a product description, an image of the  
6 product, and the product's price. *Id.* ¶ 5. This content is used to automatically generate a  
7 "product detail page"<sup>2</sup> and, in some instances, to create advertisements related to the new  
8 product. *Id.* ¶ 6; Declaration of Lauren Gemmell ("Gemmell Decl.") ¶ 4; Declaration of Vishal  
9 Shanbhag ("Shanbhag Decl.") ¶ 2. The third-party seller is responsible for the uploaded content,  
10 and specifically represents and warrants that it has the right to grant Amazon a license to use all  
11 content, trademarks, and other materials provided by it. Phan Decl., Ex. A (Amazon Services  
12 Business Solutions Agreement ¶¶ 4, 5 & Definitions, including "Content," "Your Materials," and  
13 "Your Trademarks"); Ex. B ("As the creator of a product detail page [the third-party seller] [is]  
14 responsible for its initial content[.]").

15             Amazon's role with respect to the submitted content and the product offerings is limited  
16 and passive. Phan Decl. ¶ 7. Amazon does not suggest prices for third-party offerings, or  
17 generally involve itself in third-party sales except to set parameters on terms and conditions of  
18 use. *Id.* Those parameters include a third-party seller's agreement to be bound by Amazon's  
19 policies, including acknowledgment that "[p]roducts offered for sale on Amazon.com must  
20 comply with all laws and regulations and with Amazon's policies." *Id.* ¶ 8, Ex. C. Under  
21 Amazon's Intellectual Property Violations Policy, third-party sellers are responsible for ensuring  
22 that the products they offer for sale are legal. *Id.* ¶ 9, Ex. D ("Sellers are responsible for ensuring  
23 that the products they offer are legal and authorized for sale or re-sale."). Further, with respect to

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24             <sup>2</sup> A "product detail page" is a webpage specific to the product where a consumer can  
25 view information about the product such as the product's description, images of the product, and  
26 the product's price. Phan Decl. ¶ 5.

1 images in particular, third-party sellers agree that it is their responsibility to “ensure that [they]  
2 have all the necessary rights for the images [they] submit.” *Id.* ¶ 10, Ex. E.

3 All products offered by third-party sellers are owned by the third-party sellers. *Id.* ¶ 11.  
4 Third-party sellers may ship their products to customers directly or, for a fee, use the  
5 “Fulfillment by Amazon” (“FBA”) service. Declaration of Dan Rawson ¶ 2. Third-party sellers  
6 who use Amazon’s FBA service retain legal title to their products, while Amazon simply  
7 provides fulfillment services for the products, such as storage and shipping. *Id.* ¶¶ 3, 4.

#### 8 **B. Amazon’s Policies for Responding to Claimed Infringement**

9 Amazon respects the intellectual property rights of others. Phan Decl. ¶ 12. Amazon’s  
10 policies prohibit counterfeit items and violation of third-party intellectual property rights. *Id.*,  
11 Exs. A, C, D, F, G. When Amazon receives notice of claimed infringement, Amazon  
12 investigates. *Id.* ¶ 13. If a product listing is determined to be counterfeit or in violation of third-  
13 party intellectual property rights, Amazon may block the listing or block the seller (who is not  
14 allowed to open a new account). *Id.* When Amazon receives notice of claimed infringement,  
15 Amazon strives to take appropriate action within 12-24 hours, and on average no more than 48  
16 hours. *Id.*

#### 17 **C. M&G’s Allegations All Stem from Material Provided by Third-Party Sellers**

18 M&G designs and sells animal-shaped pillowcases, and asserts patents, copyrights, and  
19 trademarks associated with the pillowcases. *See* Dkt. #1. In its remaining claims, M&G alleges  
20 that Amazon offered and sold infringing pillowcases via amazon.com, using M&G’s marks and  
21 copyrighted images in the pillowcase offerings. Based on those allegations M&G contends that  
22 Amazon is liable for direct copyright infringement, violation of the Digital Millennium  
23 Copyright Act, direct patent infringement, and false designation of origin under the Lanham Act,  
24 15 U.S.C. § 1125(a)(1). *Id.* But it is undisputed that Amazon did not offer or sell any of the  
25 allegedly infringing pillowcases at issue. Phan Decl. ¶ 14. Despite the undisputed fact that all  
26 pillowcases at issue were offered and sold by third-party sellers via the amazon.com platform,

1 M&G contends that Amazon is “the real ‘seller’ of the knock-off products” because: (1) the  
2 “products are advertised on the amazon.com domain”; (2) “[p]ayment is made directly to  
3 Amazon”; (3) “Amazon issues the invoice and tracking information”; (4) “Amazon ships the  
4 products in a box that bears the ‘Amazon’ logo”; and (5) “Amazon broadcasts email  
5 advertisements from its own account (not the manufacturer’s) offering the knock-off products.”  
6 Dkt. #11 at p. 3. In fact:

- 7 • All allegedly infringing pillowcases were offered and sold by third-party sellers.  
8 Phan Decl. ¶ 15. Amazon is not the seller of record for any of the allegedly  
9 infringing pillowcases. *Id.* This is confirmed by M&G’s own evidence. *See* Dkt.  
10 #1, Ex. C (reflecting product manufactured by “Cute Pillowcase” and “Sold by  
11 FAC System LLC”). M&G has no evidence to the contrary.
- 12 • The content for the allegedly infringing pillowcases (including product name,  
13 description, and images) displayed by Amazon was provided by third-party  
14 sellers.<sup>3</sup> Phan Decl. ¶ 16; Gemmell Decl. ¶ 3; Shanbhag Decl. ¶ 3. M&G offers  
15 no evidence to the contrary.
- 16 • Amazon did not actively copy any of M&G’s images. Phan Decl. ¶ 16. Nor did  
17 Amazon alter, modify, or remove any copyright registration information, or other  
18 information, related to any images or content supplied by third-party sellers in  
19 conjunction with third-party seller offerings of the allegedly infringing  
20 pillowcases. *Id.* In fact, all images and other content provided to Amazon by  
21 third-party sellers did not contain any visible patent, copyright, or trademark  
22 registration information. *Id.*
- 23 • Amazon provided FBA services to one of the third-party sellers (FAC System  
24 LLC) that offered allegedly infringing pillowcases. *Id.* ¶ 17. In providing FBA  
25 services, Amazon never had any ownership interest in or legal title to any FAC  
26 System LLC pillowcases. Amazon simply provided a fulfillment service by  
shipping products to customers when FAC System LLC made sales to customers.  
*Id.* This is depicted in the portion of Exhibit C to the Complaint, below, which  
reflects that the product was manufactured “by Cute Pillowcase,” “Sold by FAC  
System LLC,” and “Fulfilled by Amazon.”


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24 <sup>3</sup> This includes images displayed on product detail pages on amazon.com, as well as  
25 advertisements of Amazon’s service displayed on third-party websites or in customer emails.  
26 *See* Phan Decl. ¶ 16; Gemmell Decl. ¶ 4; Shanbhag Decl. ¶ 3.

# Pillowcase for child toddler Cute Animal Pink Rabbit Design

by [Cute Pillowcase](#)

[Be the first to review this item](#)

Price: **\$26.70** 

**In Stock.**

Sold by [FAC System LLC](#) and [Fulfilled by Amazon](#). Gift-wrap available.

See Dkt. #1-5 at p. 2.

## **D. Amazon Has Been Responsive to M&G's Allegations of Infringement**

Amazon has been responsive to M&G's allegations of infringement by third-party sellers. Immediately upon receipt of this lawsuit in October 2013, Amazon investigated M&G's allegations and promptly removed (within days) the allegedly infringing pillowcase offerings. Phan Decl. ¶ 20. During the course of this case, additional third-party sellers have offered allegedly infringing pillowcases. *Id.* ¶ 21.<sup>4</sup> As soon as Amazon learned of, or was made aware of, the additional allegedly infringing offerings, Amazon promptly removed the offerings. *Id.*<sup>5</sup> Further, in conjunction with this case, Amazon has also informed M&G of its streamlined process for notifying Amazon of alleged infringement. Declaration of Vanessa Power ("Power Decl.") ¶ 2.

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<sup>4</sup> At the time Amazon responded to M&G's response to the Order to Show Cause, in May 2014, Amazon was unaware of additional offerings or sales of allegedly infringing pillowcases by third-party sellers. Phan Decl. ¶ 21. As such, the Declaration of Dung Phan (Dkt. #19) contained reference to only FAC System, LLC. In discovery, Amazon produced comprehensive sales data reflecting all sales of allegedly infringing pillowcases. Declaration of Vanessa Power ("Power Decl.") ¶ 4.

<sup>5</sup> On one occasion, after counsel for M&G made vague reference on June 25, 2014, to additional allegedly infringing pillowcase offerings on amazon.com, counsel for Amazon asked for links to the allegedly infringing links for Amazon's immediate investigation. Counsel for M&G did not provide the requested information until August 12, 2014, over six weeks later. In the interim, Amazon searched for and removed all potentially infringing offerings, including the offerings ultimately identified by M&G's counsel. Power Decl. ¶ 3.

### III. PROCEDURAL BACKGROUND

The Complaint was filed on October 24, 2013. Dkt. #1. On April 11, 2014, the Court granted Amazon's Rule 12(b)(6) motion to dismiss M&G's claims for unfair competition under Washington's Consumer Protection Act; right of publicity; and trademark counterfeiting. Dkt. #13. The Court also struck M&G's claim for patent infringement based on any claim for induced, contributory, or willful patent infringement, as well as M&G's claim for indirect copyright infringement. *Id.* In conjunction with the motion to dismiss, the Court ordered M&G to show cause why FAC System LLC, a third-party seller of allegedly infringing products, should not be added as a party. *Id.* A ruling on that show cause order remains pending.

The parties participated in mediation on September 25, 2014. Power Decl. ¶ 5. Infringement and invalidity contentions have been exchanged. *Id.* ¶ 6. In light of the fact that the patents at issue are design patents, the parties agreed that a Markman hearing was unnecessary and the hearing was stricken. *Id.* ¶ 7. The parties have exchanged written discovery, and Amazon conducted depositions of Plaintiffs Milo & Gabby, LLC and Karen Keller, as well as of Steven Keller. *Id.* ¶ 8.

### IV. ARGUMENT

#### A. Legal Standard

Summary judgment is appropriate when, as here, "taking the evidence and all reasonable inferences drawn therefrom in the light most favorable to the non-moving party, there are no genuine issues of material fact and the moving party is entitled to judgment as a matter of law." *Furnace v. Sullivan*, 705 F.3d 1021, 1026 (9th Cir. 2013) (internal quotation marks and citation omitted); Fed. R. Civ. P. 56(a). "To survive summary judgment, a plaintiff must set forth non-speculative evidence of specific facts, not sweeping conclusory allegations." *Cafasso, U.S. ex rel. v. Gen. Dynamics C4 Sys., Inc.*, 637 F.3d 1047, 1061 (9th Cir. 2011). Here, M&G has not established, and cannot establish, any genuine issue of material fact precluding summary judgment because, simply put, Amazon did not offer or sell any of the allegedly infringing

pillowcases, third-party sellers supplied all allegedly infringing images, and Amazon has acted at all times in good faith.

**B. M&G Cannot Sustain a Claim for Direct Copyright Infringement**

M&G alleges that Amazon publicly displayed M&G’s copyrighted images on the amazon.com website and distributed allegedly infringing goods with M&G’s copyrighted images on the product labels. Dkt. #1 ¶¶ 28-31. But the evidence shows that the allegedly infringing images were all supplied by third-party sellers. *See* Phan Decl. ¶ 15. And the Court has already stricken any claim by M&G for induced or contributory copyright infringement. *See* Dkt. #13 at p. 18 (“Plaintiffs have offered insufficient factual support for their alternate theories of recovery based on . . . indirect copyright infringement.”). As such, M&G’s only remaining copyright claim is for direct infringement. M&G’s claim for direct copyright infringement fails as a matter of fact and law because: (1) there is no evidence that Amazon actively participated in, much less directly caused, the alleged copying of M&G’s copyrighted images; and (2) even if Amazon had actively participated in such copying (which it did not), Amazon is immune from liability under the Section 512(c) safe harbor of the Digital Millennium Copyright Act (“DMCA”).

**1. Amazon Did Not Actively Participate in or Directly Cause the Alleged Copying**

To be liable for direct copyright infringement, the defendant must both “‘actively engage in’ and ‘directly cause’ the copying.” *Online Policy Grp. v. Diebold, Inc.*, 337 F. Supp. 2d 1195, 1199 (N.D. Cal. 2004); *see also Perfect 10, Inc. v. Cybernet Ventures, Inc.*, 213 F. Supp. 2d 1146, 1168 (C.D. Cal. 2002) (“requir[ing] that defendants . . . *actively* engage in one of the activities [prohibited] in the Copyright Act” to be liable for direct copyright infringement (emphasis in original)). In other words, a defendant cannot be held liable for direct copyright infringement based on copies of third-party-submitted material that are automatically generated by a system that operates without human intervention beyond the initial set up and continual maintenance. *Religious Tech. Ctr. v. Netcom On-Line Commc’n Servs., Inc.*, 907 F. Supp. 1361,

1 1368 (N.D. Cal. 1995); *see also* *ALS Scan, Inc. v. RemarQ Communities, Inc.*, 239 F.3d 619, 622  
2 (4th Cir. 2001) (when a service provider “serves, without human intervention, as a passive  
3 conduit for copyrighted material, it is not liable as a direct infringer”); H.R. Rep. No. 105-551(I),  
4 at 11 (1998) (“As to direct infringement, liability is ruled out for passive, automatic acts engaged  
5 in through a technological process initiated by another.”).

6 The Northern District of California has applied these principles in two separate cases:  
7 *Religious Technology*, 907 F. Supp. 1361, and *Sega Enterprises Ltd. v. MAPHIA*, 948 F. Supp.  
8 923, 932 (N.D. Cal. 1996). In *Religious Technology*, the court addressed whether Netcom, an  
9 Internet access provider, could be held liable for direct copyright infringement where, based on  
10 Netcom’s software, a third-party user’s initial act of posting a message resulted in the automatic  
11 copying of the message from the user’s computer onto Netcom’s computer, and ultimately onto  
12 other computers on the Usenet (a worldwide community of electronic bulletin board services).  
13 *Religious Tech.*, 907 F. Supp. at 1368. Noting that Netcom “does not create or control the  
14 content of the information available to its subscribers” or “monitor messages as they are posted,”  
15 the court found that Netcom was not liable for direct infringement because it “did not take any  
16 affirmative action that directly resulted in copying plaintiffs’ works other than by installing and  
17 maintaining a system whereby software automatically forwards messages received from  
18 subscribers onto the Usenet, and temporarily stores copies on its system.” *Id.*

19 The court came to a similar conclusion in *Sega*, 948 F. Supp. at 932. In *Sega*, the alleged  
20 infringer operated an electronic bulletin board that allowed third-party users to upload  
21 copyrighted SEGA™ video games. *Id.* at 927. The uploaded video games were subsequently  
22 downloaded by other bulletin board users who played the video games with the aid of a “copier”  
23 that the defendant sold through the electronic bulletin board. *Id.* at 928-29. Although the alleged  
24 infringer maintained the bulletin board and encouraged users to upload and download the  
25 copyrighted games, he did not “himself upload[ ] or download[ ] the files.” *Id.* at 932. The court  
26 found this fact dispositive when assessing the claim of direct copyright infringement. *Id.*

1 Because the defendant himself did not actively participate in the infringing activity, the court  
2 concluded that the bulletin board operator was not liable for *direct* copyright infringement in its  
3 summary judgment decision. *Id.*

4 Here, like the accused infringers in *Religious Technology* and *Sega*,<sup>6</sup> there is no evidence  
5 that Amazon itself engaged in any allegedly infringing activity. All of the allegedly infringing  
6 images at issue here were provided by third-party sellers. Phan Decl. ¶ 16. Amazon’s role with  
7 respect to the content provided by the third-party sellers was limited and passive. *Id.* ¶ 7.  
8 Amazon did not individually review, edit, or otherwise alter the submitted content. *Id.* ¶ 17.  
9 Rather, the content was handled in an entirely automated fashion to generate product detail pages  
10 or advertisements. *Id.* ¶ 6; Gemmell Decl. ¶ 3; Shanbhag Decl. ¶ 2. The DMCA would be  
11 toothless if a service provider, such as Amazon, were not permitted to automatically create  
12 product detail pages and advertise with user-generated content. Accordingly, Amazon cannot be  
13 held liable for direct copyright infringement based on images that were provided by third parties  
14 and displayed on product detail pages or related advertisements through an automated process.

15 Nor does Amazon’s provision of the FBA service to fulfill third-party sales create a basis  
16 for direct copyright infringement liability, because Amazon never had legal title to FAC System  
17 LLC’s allegedly infringing pillowcases, and thus could not sell them as a matter of law. M&G  
18 appears to argue that Amazon’s actions as the provider of shipping services constitute  
19 “distribution” under the Copyright Act, but M&G’s position lacks merit. Although the  
20 Copyright Act does not explicitly define what it means to “distribute” copyrighted works,

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21 <sup>6</sup> Amazon, of course, differs from the *Sega* bulletin board operator in at least one respect.  
22 Unlike the defendant in that case, Amazon does *not* encourage the uploading and downloading of  
23 unauthorized copyrighted material by third-party users. To the contrary, in order to upload  
24 content to amazon.com, a third-party seller must acknowledge that he or she does not infringe  
25 the intellectual property rights of others and agree that it is his or her responsibility to ensure that  
26 they have all the necessary rights for the images they submit. *See* Phan Decl., Exs. A, D, E. If  
an entity such as the bulletin board operator in *Sega* is not liable for direct copyright  
infringement, Amazon (which takes active steps to prevent the uploading of infringing content)  
*perforce* is also not a direct copyright infringer.



1 “distribution” under the Copyright Act is ““for all practical purposes, synonymous”” with the  
2 statutory definition of “publication.” *Jalbert v. Grautski*, 554 F. Supp. 2d 57, 68 (D. Mass. 2008)  
3 (quoting *Ford Motor Co. v. Summit Motor Prods., Inc.*, 930 F.2d 277, 299 (3d Cir. 1991)).  
4 Under 17 U.S.C. § 101, “publication” means “the distribution of copies . . . of a work to the  
5 public **by sale or other transfer of ownership.**” (emphasis added.) Here, where Amazon  
6 fulfilled sales by FAC System LLC, FAC System LLC remained the owner of the products that  
7 Amazon shipped on its behalf as a service. Taking M&G’s argument to its logical conclusion  
8 would render all shippers, from Federal Express to the United Parcel Service, potentially liable  
9 for infringing works shipped by their customers. That is not the law. Thus, because Amazon  
10 never had any ownership interest in the products offered by third-party sellers such as FAC  
11 System LLC, Amazon cannot be liable for direct copyright infringement with respect to use of  
12 M&G’s copyrighted images on amazon.com by those third-party sellers.

## 13 **2. Amazon Is Immune from Liability Under the DMCA Safe Harbor**

14 Even if a genuine issue of material fact existed regarding Amazon’s alleged participation  
15 in “copying” M&G’s images, Amazon would still be immune from liability under the DMCA’s  
16 Section 512(c) safe harbor. Section 512(c) of the DMCA “protect[s] eligible service providers  
17 from all monetary . . . relief that may arise from copyright liability.” *Corbis Corp. v.*  
18 *Amazon.com, Inc.*, 351 F. Supp. 2d 1090, 1098-99 (W.D. Wash. 2004). Under this safe harbor,  
19 an entity is protected from liability for copyright infringement if it satisfies the following  
20 elements:

- 21 1. the entity is a “service provider” as that term is defined in 17 U.S.C.  
22 § 512(k)(1)(B);
- 23 2. the service provider has (a) adopted, (b) reasonably implemented, and  
24 (c) informed subscribers and account holders of the service provider’s system or  
25 network of a policy that provides for the termination in appropriate circumstances  
26 of subscribers and account holders of the service provider’s system or network  
who are repeat infringers;
3. the service provider does not interfere with standard technical measures;

4. prior to the filing of the suit, the service provider had neither actual knowledge of infringing material on its system or network, nor an awareness of facts or circumstances from which infringement is apparent;
5. the service provider acted expeditiously to remove or disable access to infringing material upon obtaining knowledge or awareness of infringing material on its system or network; and
6. the service provider lacks the ability to control infringing activity.

17 U.S.C. § 512. Amazon satisfies each of the elements, as set forth below.

***a. Amazon Is a Service Provider Under 17 U.S.C. § 512(k)(1)(B)***

Under 17 U.S.C. § 512, “the term ‘service provider’ means a provider of online services or network access, or the operator of facilities therefor.” 17 U.S.C. § 512(k)(1)(B). Because Amazon provides and operates an online platform for facilitating purchasing transactions, there can be no dispute that Amazon qualifies as a “service provider.” *See Corbis*, 351 F. Supp. at 1100 (“Amazon fits within the definition” of a service provider).

***b. Amazon Has Adopted and Reasonably Implemented a Policy That Provides for Termination in Appropriate Circumstances***

Amazon satisfies the eligibility requirement set forth in 17 U.S.C. § 512(i)(1)(A) because it: (1) has adopted a policy for terminating access to its website for repeat copyright infringers; (2) informs its users of this policy; and (3) implements this policy in a reasonable manner.

*First*, Amazon has adopted a policy that provides for the termination of users of its website who are repeat infringers. A properly adopted infringement policy need only “convey to users that ‘those who repeatedly or flagrantly abuse their access to the internet through disrespect for the intellectual property rights of others . . . know that there is a realistic threat of losing that access.’” *Corbis*, 351 F. Supp. 2d at 1101 (ellipsis in original; internal quotation marks and citation omitted). Amazon clearly conveys this message to third-party sellers. To list a product on amazon.com, a third-party seller must agree to the terms of a seller agreement that incorporates Amazon’s policies and procedures. Phan Decl. ¶ 3. Third-party sellers agree that the products they offer for sale “comply with all laws and regulations and Amazon’s policies,”

1 including specific agreement that third-party sellers do not infringe the intellectual property  
2 rights of others. *Id.* ¶¶ 4, 6-9, Exs. A, C, D, E. Third-party sellers accused of copyright  
3 infringement are sent a notice that informs the user that repeated violations could result in  
4 “permanent suspension.” *Id.* ¶ 22. Amazon routinely denies repeat infringers access to its  
5 website. *Id.* Accordingly, Amazon has established that it has adopted a policy for terminating a  
6 repeat infringer’s access to the amazon.com website.

7       *Second*, to adequately inform users of its termination policy, a service provider “need  
8 only inform users that, in appropriate circumstances, it may terminate the user’s accounts for  
9 repeated copyright infringement.” *Corbis*, 351 F. Supp. 2d at 1102 (citing *In re Aimster*  
10 *Copyright Litig.*, 252 F. Supp. 2d 634, 659 (N.D. Ill. 2002), and *Perfect 10, Inc. v. CCBill, LLC*,  
11 340 F. Supp. 2d 1077, 1088-89 (C.D. Cal. 2004)). The service provider is not required “to reveal  
12 its decision-making criteria to the user.” *Id.* As noted above, Amazon informs all third-party  
13 sellers—via a seller agreement—that access to the website may be denied if the third-party seller  
14 does not comply with all terms and conditions, including Amazon’s Intellectual Property  
15 Violations Policy. Phan Decl. ¶ 3, Exs. A, C, D, E. Further, Amazon notifies third-party sellers  
16 who are accused of copyright infringement that they may be suspended from selling privileges  
17 on the amazon.com website due to repeated copyright infringement violations. *Id.* ¶ 23. These  
18 measures are sufficient to establish that Amazon has adequately informed its users of its  
19 termination policy for repeat copyright infringers.

20       *Third*, Amazon instructs users on how to make a claim if they believe that their copyright  
21 interest is being violated; they may do so via an online form or written submission by mail, fax,  
22 or email. *Id.* ¶ 24. Amazon’s practice involves removal of product offerings upon adequate  
23 notice that the offering violates another’s intellectual property rights. *Id.* ¶ 22. Upon removing  
24 such offerings, Amazon sends the third-party seller a message informing the seller that the  
25 offering may have violated the intellectual property rights of others. *Id.* ¶ 23. Amazon also  
26 warns the third-party seller that repeated violations may result in permanent suspension from the

1 Amazon site. *Id.* ¶ 22. The selling privileges of third-party sellers that are repeat offenders are  
2 terminated. *Id.* These measures are sufficient to establish that Amazon reasonably implements a  
3 policy for terminating repeat copyright infringers. *See Corbis*, 351 F. Supp. 2d at 1102-06  
4 (concluding that Amazon reasonably implements its copyright infringement policy).

5 ***c. Amazon Does Not Interfere with Standard Technical Measures***

6 Amazon satisfies the DMCA eligibility requirement set forth in 17 U.S.C. § 512(i)(1)(B)  
7 as it does not interfere with standard technical measures used to identify and protect copyrighted  
8 works. The DMCA defines the term “standard technical measures” as “technical measures that  
9 are used by copyright owners to identify or protect copyrighted works” and (a) “have been  
10 developed pursuant to a broad consensus of copyright owners and service providers in an open,  
11 fair, voluntary, multi-industry standards process,” (b) “are available to any person on reasonable  
12 and nondiscriminatory terms,” and (c) “do not impose substantial costs on service providers or  
13 substantial burdens on their systems or networks.” 17 U.S.C. § 512(i)(2). Here, M&G has not  
14 identified and cannot identify any standard technical measure used to identify or protect a  
15 copyright interest held by M&G, much less demonstrate that Amazon has somehow interfered  
16 with such measures. Absent evidence that Amazon interferes with standard technical measures,  
17 this element is satisfied. *See Corbis*, 351 F. Supp. 2d at 1106 (holding threshold condition of not  
18 interfering with technical measures established where the plaintiff did not challenge Amazon’s  
19 assertion of compliance with 17 U.S.C. § 512(i)).

20 ***d. Amazon Did Not Have Actual or Apparent Knowledge of the Alleged***  
21 ***Copyright Infringement Prior to the Filing of This Lawsuit***

22 Under the DMCA, a service provider satisfies the requirement set forth in 17 U.S.C.  
23 § 512(c)(1)(A) if the service provider lacks actual or apparent knowledge of the infringing  
24 activity. Here, contrary to M&G’s self-serving assertion, Amazon had no actual or apparent  
25 knowledge that third-party sellers had supplied allegedly infringing images, and were selling  
26 allegedly infringing products, before this case was filed. Phan Decl. ¶ 19. M&G contends that

1 in May 2013, Ms. Keller allegedly called Amazon, but that Amazon did not return her call. *See*  
2 Power Decl., Ex. A at p. 12 (Response to Interrogatory No. 15). Ms. Keller “believes” she called  
3 Amazon more than once and “[a]s far as M&G knows her call(s) were never returned.” *Id.* But  
4 M&G does not allege that Ms. Keller provided Amazon with specific notice of alleged  
5 infringement, such as a link to the allegedly infringing product offering. Nor does M&G allege  
6 that written notice was ever provided to Amazon, as it was not. Amazon has no record of any  
7 call from Ms. Keller, and Amazon never received a DMCA-compliant written notice of  
8 infringement from M&G.<sup>7</sup> Phan Decl. ¶ 19. As such, Amazon had no actual or apparent  
9 knowledge of the alleged copyright infringement before this case was filed.

10 Similarly, there is no evidence that Amazon had apparent knowledge of the alleged  
11 infringement. To establish apparent knowledge, M&G must show that “the service provider  
12 deliberately proceeded in the face of blatant factors of which it was aware.” *Corbis*, 351 F.  
13 Supp. 2d at 1108 (internal quotation marks and citation omitted). In other words, M&G must  
14 show that Amazon “turned a blind eye to ‘red flags’ of obvious infringement.” *Id.* (internal  
15 quotation marks and citation omitted). No such evidence exists. Indeed, M&G fails to identify a  
16 single “red flag” that would have given Amazon apparent pre-suit knowledge of the allegedly  
17 infringing activity. In the absence of evidence that Amazon actually knew that the content  
18 uploaded by third-party sellers was infringing—or at least had knowledge of a “red flag” that  
19 would have given Amazon apparent knowledge of such infringement—any argument that  
20 Amazon had actual or apparent knowledge prior to the filing of this suit is unavailing.

21  
22  
23 <sup>7</sup> 17 U.S.C. § 512(c)(3)(A) provides that for notice to be “effective under this section” it  
24 must be a “written communication” with six elements, including identification of the work  
25 claimed to have been infringed, identification of the material that is claimed to be infringing,  
26 contact information for the complaining party, and statements supporting the accuracy of the  
complaint and the complaining party’s right to make the complaint.

1                   ***e. Amazon Acted Expeditiously to Remove Allegedly Infringing Material in***  
2                   ***Response to M&G's Complaint***

3           Amazon acted expeditiously to remove allegedly infringing product offerings as soon as  
4 it received notice when this lawsuit was filed. Phan Decl. ¶¶ 20, 21. Under the DMCA, a  
5 service provider satisfies the safe harbor requirements set forth in 17 U.S.C. § 512(c)(1)(A) and  
6 (C) if it acts expeditiously to remove (or disable access to) infringing or allegedly infringing  
7 material upon notice or knowledge of the claimed or actual infringement. That occurred here.

8                   ***f. Amazon Lacked the Ability to Control Allegedly Infringing Activity***

9           Amazon did not have the practical ability to control the allegedly infringing conduct. A  
10 service provider satisfies 17 U.S.C. § 512(c)(1)(B) of the DMCA if it lacks either the right or the  
11 ability to control infringing activity. An accused infringer does not have the ability to control a  
12 direct infringer by merely having “the ability . . . to remove or block access to materials posted  
13 on its website or stored in its system.” *Perfect 10 v. Google, Inc.*, 416 F. Supp. 2d 828, 858  
14 (C.D. Cal. 2006) (internal quotation marks and citation omitted); *see also Io Grp., Inc. v. Veoh*  
15 *Networks, Inc.*, 586 F. Supp. 2d 1132, 1136 (N.D. Cal. 2008) (concluding that the term “right  
16 and ability to control” has the same meaning under the DMCA as it does in connection with  
17 vicarious copyright liability). Rather, the accused infringer must have the “practical ability” to  
18 “stop or limit the directly infringing conduct.” *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d  
19 1146, 1173 (9th Cir. 2007). In other words, “in order to have the ‘right and ability to control,’  
20 the service provider must ‘exert[] substantial influence<sup>[8]</sup> on the activities of users.’” *UMG*

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21                   <sup>8</sup> A service provider does not exert substantial influence over the activities of users  
22 simply because: (1) the infringing content resides on the service provider’s system; (2) the  
23 service provider had the ability to remove such material; (3) the service provider could have  
24 implemented, and did implement, filtering systems; and (4) the service provider could have  
25 searched for potentially infringing content. *UMG Recordings, Inc. v. Shelter Capital Partners*  
26 *LLC*, 718 F.3d 1006, 1030 (9th Cir. 2013). Rather, the service provider must do “something  
more,” such as impose “high levels of control over activities of users.” *Id.* (internal quotation  
marks and citation omitted).

1 *Recordings, Inc. v. Shelter Capital Partners LLC*, 718 F.3d 1006, 1030 (9th Cir. 2013)  
2 (alterations in original; citation omitted).

3 For example, in *Perfect 10 v. Google, Inc.*, the Central District of California analyzed  
4 whether Google had the ability to control copyright infringement that arose from users who  
5 accessed infringing websites through its search engine. 416 F. Supp. 2d 828. In explaining why  
6 Google did not have the ability to control infringing activity, the court noted that “Google  
7 software lacks the ability to analyze every image [it receives], compare each image to all other  
8 copyrighted images that exist in the world . . . , and determine whether a certain image . . .  
9 infringes someone’s copyright.” *Id.* at 858. Accordingly, the court concluded that Google  
10 lacked the practical ability to police the infringing conduct. *Id.* The Ninth Circuit affirmed this  
11 conclusion on appeal. *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d at 1174 (“Without image-  
12 recognition technology, Google lacks the practical ability to police the infringing activities of  
13 third-party websites.”).

14 Here, Amazon, like Google, does not have the ability to analyze all the images it receives  
15 from third parties, compare these images to all other copyrighted images that exist in the world,  
16 and determine whether each image infringes someone’s copyright interest. Phan Decl. ¶ 25.  
17 Rather, Amazon simply provides an online platform that allows third-party sellers to upload  
18 content that is then used to generate product detail pages and advertisements in an automated  
19 manner. *Id.* ¶¶ 2, 6; Gemmell Decl. ¶¶ 3, 4; Shanbhag Decl. ¶¶ 2, 3. Amazon’s operation of this  
20 platform does not give it the right and ability to control its users. *Hendrickson v. Amazon.com,*  
21 *Inc.*, 298 F. Supp. 2d 914, 918 (C.D. Cal. 2003) (finding that Amazon did not have the right and  
22 ability to control its users because “Amazon merely provided the forum for an independent third  
23 party seller to list and sell his merchandise”); *Corbis*, 351 F. Supp. 2d at 1110 (concluding that  
24 “Amazon did not have the right or ability to control vendor sales”).

25 In short, because Amazon (1) did not actively participate in the alleged copying and  
26 (2) would be protected by the DMCA safe harbor even if it did actively participate in the alleged

1 copying (which it did not), Amazon's motion for summary judgment with respect to the  
2 copyright infringement claim should be granted.

3 **3. Amazon Is Not Liable Under 17 U.S.C. § 1202 Because It Did Not**  
4 **Intentionally Remove or Alter Copyright Management Information.**

5 The DMCA generally prohibits the intentional removal or alteration of copyright  
6 management information. 17 U.S.C. § 1202(b). The DMCA also prohibits the distribution or  
7 importation of copyright management information with knowledge that the copyright  
8 management information has been removed or altered without the authority of the copyright  
9 owner. *Id.* M&G alleges that Amazon violated the DMCA by intentionally removing or altering  
10 copyright management information from M&G's copyrighted images. Dkt. #1 ¶ 39. In response  
11 to an interrogatory seeking the factual basis for M&G's allegation that *Amazon* intentionally  
12 removed or altered the copyright management information, however, M&G's circular reasoning  
13 falls short of actual evidence, and completely ignores the involvement of third-party sellers who  
14 provided the images at issue. *See* Power Decl., Ex. A at p. 8 (Response to Interrogatory No. 8)  
15 ("[A]s the only substantive alteration of M&G's materials was the removal of M&G's copyright  
16 management information, the only reasonable conclusion that could be reached is that Amazon  
17 did so with the intention of concealing M&G's copyright rights in order to facilitate copyright  
18 infringement."). There is no evidence that Amazon removed or altered copyright management  
19 information, or that Amazon distributed or imported allegedly infringing pillowcases with  
20 knowledge that copyright management information had been removed. M&G's claim under the  
21 DMCA fails as a matter of law, there is no material fact in dispute, and Amazon is entitled to  
22 summary judgment on M&G's copyright information removal claim.

23 **C. Amazon Is Not Liable for False Designation of Origin Under the Lanham Act**

24 Amazon is not liable for trademark infringement based on alleged false designation of  
25 origin under the Lanham Act, 15 U.S.C. § 1125(a)(1)(A), for at least three reasons. *First*, as a  
26 threshold matter, because M&G's Lanham Act claim overlaps directly with its copyright claim,



1 and because the copyright laws provide an adequate remedy, the Lanham Act claim should be  
2 dismissed outright. *Second*, even if the Court reaches the claim, there is no evidence of any  
3 “use” of a false designation of origin that is attributable to Amazon. *Finally, arguendo*, even if  
4 Amazon had “used” a false designation of origin (which it has not), the asserted “use” is  
5 permitted under *Tiffany (NJ) Inc. v. eBay Inc.*, 600 F.3d 93, 102-03 (2d Cir. 2010).

6 **1. M&G’s Trademark Claim Is Precluded Because It Is Based on the Same**  
7 **Materials That Give Rise to M&G’s Copyright Claim**

8 Because M&G’s copyright claim fails, M&G’s attempt to hold Amazon liable under the  
9 Lanham Act for alleged use of precisely the same images and materials it seeks to hold Amazon  
10 liable for under the Copyright Act is dispositive of M&G’s Lanham Act claim. *See Summit*  
11 *Mach. Tool Mfg. Corp. v. Victor CNC Sys., Inc.*, 7 F.3d 1434, 1438 (9th Cir. 1993) (Lanham Act  
12 cannot be used to invade “spheres protected by, or intentionally left unprotected by, copyright  
13 and patent law.”); *see also* 1 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright*  
14 § 1.01[D][2], at 1-88.12 (2015) (“[C]ourts have long limited application of the Lanham Act so as  
15 not to encroach on copyright interests.” (footnote omitted)); *Shaw v. Lindheim*, 919 F.2d 1353,  
16 1364-65 (9th Cir. 1990) (“We decline to expand the scope of the Lanham Act to cover cases in  
17 which the Federal Copyright Act provides an adequate remedy.”); *Sybersound Records, Inc. v.*  
18 *UAV Corp.*, 517 F.3d 1137, 1144 (9th Cir. 2008) (dismissing claim by construing the Lanham  
19 Act to “avoid overlap between the Lanham and Copyright Acts”).

20 M&G’s Lanham Act claim is based on Amazon’s alleged “wholesale copying of all of  
21 M&G’s marketing materials” and specifically identifies a “screen shot of Amazon’s website  
22 where Milo & Gabby LLC’s Trademark was clearly readable.” Power Decl., Ex. A at p. 13  
23 (Response to Interrogatory No. 16).<sup>9</sup> But M&G’s copyright infringement claim is based on the

24 <sup>9</sup> M&G contends that Amazon violated its rights in two marks: “MILO & GABBY;  
25 COZY COMPANIONS” (a mixed word and design mark registered as U.S. Trademark No.  
26 3291697 (the “Design Mark”)); and “MILO & GABBY” (a character mark registered as U.S.  
Trademark No. 4644732 (the “Word Mark”)). *See* Power Decl. ¶ 10, Ex. A at p. 13 (pictorial

(continued . . .)

1 very same allegedly unauthorized distribution and display by Amazon of M&G’s “copyrighted  
2 works” such as its “products and promotional materials” and “images on the labels” of products.  
3 Dkt. #1 ¶¶ 28-31. As such, because M&G’s claim under the Copyright Act necessarily fails,  
4 M&G’s Lanham Act claim should likewise be dismissed. *Dastar Corp. v. Twentieth Century*  
5 *Fox Film Corp.*, 539 U.S. 23, 33 (2003) (rejecting plaintiff’s proposed interpretation of Lanham  
6 Act that would “cause[] the Lanham Act to conflict with the law of copyright, which addresses  
7 that subject specifically”).

## 8           **2. Amazon Did Not “Use” a False Designation of Origin**

9           Even if the Court does not summarily dismiss M&G’s Lanham Act claim as precluded in  
10 light of M&G’s claim under the Copyright Act, M&G’s Lanham Act claim still fails. To be  
11 liable for direct trademark infringement under 15 U.S.C. § 1125(a)(1)(A) based on a false  
12 designation of origin, the defendant must “use” a false designation of origin in a manner that is  
13 likely to cause confusion, mistake, or deception. An entity does not “use” a mark or a false  
14 designation of origin by merely providing a forum in which a third-party vendor may display the  
15 mark or false designation of origin in connection with an offer to sell goods. *See Fonovisa, Inc.*  
16 *v. Cherry Auction, Inc.*, 76 F.3d 259 (9th Cir. 1996); *Hard Rock Cafe Licensing Corp. v.*  
17 *Concession Servs., Inc.*, 955 F.2d 1143 (7th Cir. 1992). For example, in both *Fonovisa* and *Hard*  
18 *Rock Cafe*, the Ninth and Seventh Circuits, respectively, analyzed whether flea market operators  
19 were liable for *contributory* trademark infringement based on infringing use of a mark by third-

20  
21 ( . . . continued)  
22 references of the marks are included in the declaration). Of note here, M&G offers no evidence  
23 of any alleged use of the Design Mark. Instead, M&G asserts alleged use of the Word Mark via  
24 an image, provided by a third-party seller, that allegedly depicts M&G’s marketing materials and  
25 reflects the text “Milo & Gabby.” That Word Mark was not registered until November 25, 2014,  
26 over a year after the lawsuit was filed (and the mark allegedly used), and thus there was no  
presumption of validity at the time of alleged use. *Id.* ¶ 11, Ex. B; *see Toho Co. v. Sears,*  
*Roebuck & Co.*, 645 F.2d 788, 789 (9th Cir. 1981) (without federal registration, no presumption  
of validity).

1 party vendors who sold counterfeit items at the flea market. The plaintiffs were forced to allege  
2 *contributory* (rather than direct, as asserted here) trademark infringement as the operators—who  
3 provided only a forum for the third-party vendors—*did not themselves use the mark*. All  
4 prohibited uses of the marks were attributable only to the third-party vendors.

5 Here, like the operators in *Fonovisa* and *Hard Rock Cafe*, Amazon merely provides a  
6 platform where third-party sellers may display information regarding the origin of their goods.  
7 By providing this platform to numerous third-party sellers, Amazon does not “use” any allegedly  
8 false designation of origin supplied by a third-party seller. Rather, such use is properly  
9 attributable to the third-party sellers. The facts here reflect that third-party sellers supplied all  
10 images, product descriptions, and the products themselves. Phan Decl. ¶¶ 15, 16. Further, in the  
11 limited instances in which one third-party seller (FAC System LLC) used the FBA service to  
12 direct shipment of allegedly infringing pillowcases, there is no evidence that the visible external  
13 packaging bore M&G’s mark. *Id.* ¶ 18. There is no dispute that the products fulfilled by  
14 Amazon were shipped in *shipping* boxes with Amazon’s marks to indicate that the products were  
15 shipping from an Amazon facility. There is simply no support in the law for M&G’s theory that  
16 identifying Amazon as the shipper, via external packaging on a shipping box, constitutes false  
17 designation of origin of the goods. Accordingly, Amazon cannot be liable for direct trademark  
18 infringement under 15 U.S.C. § 1125(a)(1)(A).

19 Nor is Amazon liable for *contributory* trademark infringement.<sup>10</sup> As set forth by the  
20 Ninth Circuit, contributory trademark liability requires that the defendant “(1) intentionally  
21 induce[ ] another to infringe on a trademark or (2) continue[ ] to supply a product knowing that  
22 the recipient is using the product to engage in trademark infringement.” *Fonovisa*, 76 F.3d at

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23 <sup>10</sup> The Court plainly struck all contributory and induced infringement theories from the  
24 case under the Order Granting Defendant’s Motion to Dismiss for Failure to State a Claim in  
25 Part. *See* Dkt. #13 at p. 18. M&G’s allegations only speak to *direct* action by Amazon, but in an  
26 effort to secure summary judgment comprehensively, Amazon also explains why M&G’s claim  
would also fail under a theory of induced infringement.

264. Here, there is no evidence that Amazon (1) intended to induce a third-party seller to infringe a Milo & Gabby mark; or (2) continued to allow a third-party seller access to the amazon.com website *after* Amazon knew that the seller was using the mark to engage in alleged trademark infringement. Indeed, all evidence shows that Amazon seeks to prevent the sale of infringing goods on the amazon.com website. *See* Phan Decl. ¶¶ 6-8, 21, 22. Because Amazon (1) has not “used” any allegedly false designation of origin; and (2) cannot be held contributorily liable for a false designation of origin allegedly made by third-party sellers, Amazon has not violated 15 U.S.C. § 1125(a)(1).

**3. Amazon, as an Online Intermediary That Takes Reasonable Steps to Prevent the Sale of Counterfeit Goods on Its Website, Cannot Be Held Liable for Trademark Infringement Under 15 U.S.C. § 1125(a)(1)(A)**

Even if the Court were to determine that a disputed fact issue exists regarding Amazon’s “use” of an allegedly false designation of origin (when a third-party seller displays inaccurate information regarding the origin of its goods on amazon.com), such use is permitted under the rationale set forth by the Second Circuit in *Tiffany*, 600 F.3d 93.<sup>11</sup>

In *Tiffany*, the Second Circuit dealt with whether an online intermediary that facilitates transactions between a buyer and seller (eBay) could be held liable for trademark infringement based on its alleged use of a mark held by the jewelry seller Tiffany. As an initial matter, the *Tiffany* court held that because trademark law does “not prevent one who trades a branded product from accurately describing it by its brand name, so long as the trader does not create

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<sup>11</sup> Although the trademark infringement claim in *Tiffany* was brought under 15 U.S.C. § 1114 (because Tiffany’s mark was registered), the analysis does not change when the trademark infringement claim is brought under 15 U.S.C. § 1125(a)(1)(A) (for unregistered marks). As explained in *McCarthy on Trademarks and Unfair Competition*, “[w]hen [15 U.S.C. § 1125(a)(1)(A)] is used as a federal vehicle for assertion of traditional claims of infringement of trademarks, . . . the courts have used as substantive law the traditional rules of trademarks and unfair competition law. The clear message of the U.S. Supreme Court’s 1992 *Taco Cabana* case is that the general rules of trademark validity and infringement are to be applied to infringement claims brought under [15 U.S.C. § 1125(a)(1)(A)].” J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 27:18, at 27-37 (4th ed. 2014).

1 confusion by implying an affiliation with the owner of the product,” eBay’s use of the mark to  
2 sell *genuine* Tiffany goods was lawful. *Id.* at 103 (internal quotation marks and citation  
3 omitted). Noting that “eBay consistently took steps to improve its technology and develop anti-  
4 fraud measures as such measures became technologically feasible and reasonably available,” the  
5 court further held that eBay could not be held liable for direct trademark infringement based on  
6 use of Tiffany’s mark in connection with the sale of *counterfeit* jewelry simply “because eBay  
7 cannot guarantee the genuineness of all of the purported Tiffany products offer on its website.”  
8 *Id.* at 100, 103 (quoting trial court). “To impose [such] liability,” the court reasoned, “would  
9 unduly inhibit the lawful resale of genuine Tiffany goods.” *Id.* at 103.

10 The California Court of Appeal came to the same conclusion in *Tre Milano, LLC v.*  
11 *Amazon.com, Inc.*, No. B234753, 2012 WL 3594380 (Cal. Ct. App. Aug. 22, 2012) (attached at  
12 Ex. E to Power Decl.). In that case, the plaintiff accused Amazon of trademark infringement  
13 based on Amazon’s alleged use (on its website) of Tre Milano’s mark in connection with the sale  
14 of allegedly counterfeit Tre Milano Hair Straighteners. *Id.* at \*1. The straighteners were  
15 allegedly sold via the amazon.com website by third-party sellers and shipped either by Amazon  
16 (through the FBA service) or by the third-party sellers themselves. *Id.* The court, citing *Tiffany*,  
17 held that Amazon did not infringe Tre Milano’s trademark rights. *Id.* at \*12.

18 Here, like the defendant in *Tiffany*, Amazon, as the provider of an online retail platform  
19 that facilitates transactions between third-party sellers and buyers, goes to great lengths to weed  
20 out counterfeit products from its website. But even if there were a disputed factual issue about  
21 whether Amazon “uses” any allegedly false designation of origin (merely by providing a forum  
22 that allows third-party sellers to supply information regarding their products), such alleged “use”  
23 does not create a basis for liability under a theory of direct infringement. *See Tiffany*, 600 F.3d  
24 at 103 (finding no grounds for direct infringement). Accordingly, summary judgment dismissing  
25 M&G’s claim of trademark infringement under 15 U.S.C. § 1125(a)(1)(A) of the Lanham Act is  
26 warranted.

MOTION FOR SUMMARY JUDGMENT - 22

1 **D. Amazon Is Not Liable for Direct Patent Infringement Because Amazon Has Not**  
2 **“Sold” or “Offered to Sell” Any Allegedly Infringing Pillowcases**

3 To state a claim of direct patent infringement, M&G must establish ownership of the  
4 patents and show that Amazon, the accused infringer, without authorization, made, used, offered  
5 to sell, sold, or imported the patented invention.<sup>12</sup> 35 U.S.C. § 271(a). Here, M&G bases its  
6 claim of direct patent infringement on Amazon’s purported “offer to sell” or “sale” of allegedly  
7 counterfeit Milo & Gabby, LLC products. *See* Dkt. #1 ¶ 1 (“This is a complaint for violations of  
8 various . . . intellectual property laws arising from Defendant’s sales of products that constitute  
9 inferior knock-off duplicates of Plaintiff’s protected products.”). But there is no evidence that  
10 Amazon has ever “sold” or “offered to sell” such products within the meaning of 35 U.S.C.  
11 § 271(a). Indeed, the evidence reflects otherwise.

12 To “sell” or “offer to sell” goods, one must transfer or offer to transfer *title* to those  
13 goods. U.C.C. § 2-106(1) (“A ‘sale’ consists in the passing of *title* from the seller to the buyer  
14 for a price.” (emphasis added)); *see Ecodyne Corp. v. Croll-Reynolds Eng’g Co.*, 491 F. Supp.  
15 194, 197 (D. Conn. 1979) (noting that the term “‘sale’ . . . connotes the formation of a contract  
16 under which the seller . . . *transfers to the buyer title . . . to property*” in dismissing claims of  
17 patent infringement (emphasis added; internal quotation marks and citation omitted)). It is well-

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19 <sup>12</sup> In the Complaint, M&G identifies five U.S. Design Patents (U.S. Design Patent Nos.  
20 D520,798; D521,299; D521,792; D523,677; and D551,889). Dkt. #1. Exhibit G to the  
21 Complaint, however, includes one additional patent, U.S. Design Patent No. D545,605 (the  
22 “‘605 Patent”). *Id.* In M&G’s Preliminary Infringement Contentions served on September 15,  
23 2014, and M&G’s Supplemental Exhibit to Plaintiff’s [sic] Infringement Contentions, served on  
24 September 17, 2014, M&G asserted infringement contentions only with respect to the five  
25 patents identified in the Complaint. Power Decl. ¶ 12, Exs. C, D. In its Non-Infringement  
26 Contentions, Amazon specifically stated that to the extent M&G later seeks to assert  
infringement claims related to the ‘605 Patent, Amazon has been prejudiced. *Id.* In response to  
discovery, M&G now contends that all six patents were infringed. *Id.* ¶ 12, Ex. A (Response to  
Interrogatory No. 2). As such, without waiving its right to argue that M&G waived its right to  
assert infringement of the ‘605 Patent by failing to serve infringement contentions, Amazon  
seeks summary judgment on the claim of patent infringement as to all identified patents,  
including the ‘605 Patent at Exhibit G to the Complaint.

1 established law that a broker or online intermediary that merely facilitates the direct transfer of  
2 title to an article from a third-party seller to a purchaser has not “sold” the article. *Drug Mart*  
3 *Pharmacy Corp. v. Am. Home Prods. Corp.*, 472 F. Supp. 2d 385, 409 (E.D.N.Y. 2007) (“When  
4 parties act as intermediaries for a transaction and do not buy and resell the commodities, no sale  
5 between them has occurred.”); *Prima Int’l Trading v. Wyant*, No. 6:07-CV-338-REW, 2009 WL  
6 722609, at \*6 (E.D. Ky. Mar. 17, 2009) (concluding that a broker is not a “seller” under the  
7 Uniform Commercial Code); *Oscar Mayer Corp. v. Mincing Trading Corp.*, 744 F. Supp. 79, 83  
8 (D.N.J. 1990) (“As [the broker] never had title ... it could not ‘sell’ them.”).

9 For instance, in *Tiffany*, Tiffany alleged that eBay “sold” counterfeit Tiffany jewelry on  
10 its website, even though the counterfeit goods were listed on eBay’s website by third-party  
11 sellers. *Tiffany*, 600 F.3d at 102-03. Consistent with fundamental contract law principles, the  
12 Second Circuit rejected this argument, concluding that “eBay did not itself sell counterfeit  
13 Tiffany goods; only the fraudulent vendors did.” *Id.* at 114; *see also Hendrickson*, 298 F. Supp.  
14 2d at 915 (“[A]ll of the evidence points to the fact that [the third-party seller], not Amazon, was  
15 the actual seller.”). The same reasoning applies here. Because Amazon was not the seller of  
16 record for any of the allegedly infringing pillowcases, and had no ownership interest or legal title  
17 to any of the allegedly infringing pillowcases, Amazon could not “sell” or “offer to sell” the  
18 allegedly infringing pillowcases. M&G makes only conclusory arguments and has no evidence  
19 to the contrary. In sum, because M&G has not shown, and cannot show, that Amazon offered or  
20 sold the allegedly infringing products, Amazon is entitled to summary judgment of non-  
21 infringement.

## 22 V. CONCLUSION

23 For all the foregoing reasons, Amazon’s motion for summary judgment dismissing  
24 M&G’s remaining claims should be granted.

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MOTION FOR SUMMARY JUDGMENT - 25